

EXHIBIT E

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<p>1 IN THE CIRCUIT COURT OF HINDS COUNTY, MISSISSIPPI 2 SECOND JUDICIAL DISTRICT 3 4 SOUTHTRUST BANK, a corporation 5 Plaintiff, 6 VERSUS CIVIL ACTION NO. CV03-14 7 LEXTRON CORPORATION, et al., 8 Defendants. 9 10 VOLUME I 11 VIDEOTAPED DEPOSITION OF GREG NAYLOR 12 Taken at the offices of Brunini, Grantham, 13 Growers & Hewes, PLLC, located at 1400 14 Trustmark Building, 248 East Capital Street, 15 Jackson, Mississippi, on Thursday, September 16 25, 2003, beginning at 2:43 p.m. 17 18 REPORTED BY: 19 LAURA CROSS 20 State-Wide Reporters 21 4400 Old Canton Road 22 Suite 201 (39211) 23 Post Office Box 14113 24 Jackson, Mississippi 39236 25 Telephone: (601) 366-9676 Fax: (601) 366-9756 Coast Address: 764 Water Street (39530) Post Office Box 389 Biloxi, Mississippi 39533 Telephone: (228) 432-0770 Fax: (228) 432-0690 msreporters@aol.com</p>	<p>1 APPEARANCES: (Continued) 2 JENNY VIRDEN, ESQUIRE 3 Chapman, Lewis & Swan 4 961 Madison Avenue, Suite 1A 5 Madison, Mississippi 39110 6 Telephone: (601) 605-9081 7 Fax: (601) 605-9765 8 ATTORNEY FOR CROSS PLAINTIFF, LEXTRON 9 AND CHARLES DOTY 10 11 LEGAL VIDEO TECHNICIAN: 12 TONY SCOTT 13 14 ALSO PRESENT: 15 CHARLES DOTY 16 17 18 19 20 21 22 23 24 25</p>
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<p>Page 89</p> <p>1 January -- as I've told you before -- the 2 beginning of February that there was not a viable 3 business per BB&K's assessment, there were 4 decisions that were made. And I was aware that 5 having looked at this that S&I was being removed 6 from Lextron. 7 Q. Five minutes ago you swore that was not 8 true. 9 A. I was -- I was confused on the dates. 10 Q. All right. Now, you know that on 11 February 12th you received an e-mail saying S&I 12 was being removed entirely from Lextron, correct? 13 A. That's correct. 14 Q. And in fact the new source had already 15 been chosen, correct? 16 A. Correct. 17 Q. And two of the new sources were your 18 own Packard division, correct? 19 A. That's correct. I thought you were 20 referring to January 12th originally. 21 Q. And in bold print it says "Please do 22 not communicate to Lextron regarding these 23 activities." Do you see that? 24 A. Yeah, I can. 25 Q. And as a loyal soldier, you followed</p>	<p>Page 91</p> <p>1 correct. 2 Q. Formal. Nobody said anything about 3 formal, sir. You said the group was not started 4 until the 15th or the 18th of January, did you 5 not? 6 A. That's correct. 7 Q. All right. Now, would you please read 8 to the jury the last sentence of your e-mail to 9 Mr. Johnson. 10 A. "Currently, the buyers are generating 11 contingency plans for 'just in case.'" 12 Q. And just in case is in quotation marks, 13 correct? 14 A. That's correct. "I will update you 15 immediately following the holidays." 16 Q. Do you want to change your testimony 17 now? 18 A. Again, I was under the impression that 19 you were asking for a formal team when originally 20 asked. 21 Q. The words formal never crossed my lips, 22 sir. 23 A. Or a team. All I asked here was the 24 buyers to have a backup plan. 25 Q. All right. So now you know -- Now that</p>
<p>Page 90</p> <p>1 that instruction and concealed that information 2 from Mr. Doty, didn't you? 3 A. That's correct. 4 Q. Now, you testified a few minutes ago 5 that there was no contingency plan even put in 6 place until the 15th or the 18th of January, 2003, 7 by Ms. Everett; is that correct? 8 A. That's correct. 9 Q. Do you want to change that testimony, 10 sir? 11 A. No. Not at this point. 12 Q. All right. Do you want me to show you 13 the document and then give you the chance? 14 A. Sure. 15 Q. Let me show you Exhibit 8. 16 This is an e-mail that you're the 17 author of; is it not, sir? 18 A. That's correct. 19 Q. And would you tell the jury what the 20 date of this e-mail is, sir? 21 A. December 19th, 2002, 3:01 p.m. 22 Q. A full month before you say a 23 contingency group was even established at Delphi, 24 correct? 25 A. A formal contingency plan, that's</p>	<p>Page 92</p> <p>1 we've erased the confusion of formality -- that 2 contingency plans to replace this man's and his 3 company as a supplier were being prepared at least 4 as early as December 19th, 2002, am I correct? 5 A. Yes. 6 Q. And what did you mean by "just in 7 case"? 8 A. Well, because this was -- This was an 9 evolving circumstance. This started out in the 10 August/September time frame, and as we got more 11 information the more we had to secure our 12 contingency plan. So as we got more information 13 that there wasn't a viable business, the more so 14 we had to secure our contingency plan. 15 Q. All right. Is "just in case" just in 16 case we have to terminate him as a supplier? 17 A. Just in case he's not able to remain a 18 viable supplier. 19 Q. Right. 20 A. That's right. 21 Q. So what you meant is just in case we 22 have to exit him, the buyers are generating 23 contingency plans? 24 A. That's correct. 25 Q. And you were doing this at least as</p>

<p style="text-align: right;">Page 93</p> <p>1 early as December 19th, 2002?</p> <p>2 A. That's correct.</p> <p>3 Q. And probably earlier.</p> <p>4 A. With the information that we had, that</p> <p>5 they were having financial troubles, that was our</p> <p>6 protocol.</p> <p>7 Q. So you, Greg Naylor, were cognoscente</p> <p>8 in appreciating the fact that it was important to</p> <p>9 get a contingency plan in place just in case we</p> <p>10 had to terminate him. You knew this back in</p> <p>11 December of 2002?</p> <p>12 A. That's correct.</p> <p>13 Q. All right. And did you communicate</p> <p>14 this fact that there were these contingency plans</p> <p>15 being developed by the buyers to Mr. Graves?</p> <p>16 A. I mean, he's on the distribution here.</p> <p>17 Q. So we can conclude that if you</p> <p>18 distribute it to him, he should have known that</p> <p>19 the contingency plan was being developed, correct?</p> <p>20 A. Thereabouts. This was close to the</p> <p>21 holidays. I'm assuming he was still at work.</p> <p>22 Q. And he said he saw this memo.</p> <p>23 A. Uh-huh.</p> <p>24 Q. And am I correct that this contingency</p> <p>25 plan that you're referring to here in Exhibit 8 is</p>	<p style="text-align: right;">Page 95</p> <p>1 did or didn't say, but if he testified that he had</p> <p>2 no idea there was any contingency plans going on</p> <p>3 in December of 2002, you would disagree with that</p> <p>4 characterization.</p> <p>5 A. Well, I'm saying he should have been</p> <p>6 aware. Again, this was around vacation time. I</p> <p>7 don't know if he read the e-mail or not or -- I</p> <p>8 mean, he's a director of a global company. He</p> <p>9 gets hundreds of e-mails. I don't know if he read</p> <p>10 it or when he read it.</p> <p>11 Q. Well, let me ask you this: Were you</p> <p>12 planning on exiting any other suppliers at this</p> <p>13 time?</p> <p>14 A. From our divisional standpoint?</p> <p>15 Q. Yes, sir.</p> <p>16 A. I don't know.</p> <p>17 Q. You can't think of one?</p> <p>18 A. I don't know.</p> <p>19 Q. All right. And the reason I'm asking</p> <p>20 the question is I know you like to say it's a big</p> <p>21 company, he's got lot of e-mails and lots of</p> <p>22 responsibilities, but this was not some</p> <p>23 back-burner issue, was it sir?</p> <p>24 A. No.</p> <p>25 Q. So if Mr. Graves is doing his job and</p>
<p style="text-align: right;">Page 94</p> <p>1 the same one that carried through to January and</p> <p>2 February and so forth?</p> <p>3 MR. EASON:</p> <p>4 Before he answer the question, let me</p> <p>5 object to your characterization of the prior</p> <p>6 witnesses testimony. I believe he said he was</p> <p>7 already on vacation and didn't see that until he</p> <p>8 got back.</p> <p>9 MR. FREESE:</p> <p>10 Thank you, Brooks. I appreciate that.</p> <p>11 Mr. Graves was on your e-mail, was he not?</p> <p>12 A. That's correct.</p> <p>13 Q. This was a huge issue as you described,</p> <p>14 correct?</p> <p>15 A. That's correct.</p> <p>16 Q. One can fairly assume that whether or</p> <p>17 not he was on vacation or not, you were keeping</p> <p>18 him apprised along the way of these contingency</p> <p>19 plans just in case?</p> <p>20 A. That's correct.</p> <p>21 Q. So if he denied knowing anything about</p> <p>22 this just in case contingency plan, you would take</p> <p>23 issue with that, would you not?</p> <p>24 A. Would I take issue to it?</p> <p>25 Q. Yes, sir. And I'm not saying what he</p>	<p style="text-align: right;">Page 96</p> <p>1 being honest about it, he knew what was going on</p> <p>2 with these contingency plans?</p> <p>3 A. That's correct. Part of him being on</p> <p>4 the distribution.</p> <p>5 Q. Now, let me show you Exhibit 20. I'm</p> <p>6 going to give you a chance to look at that, sir.</p> <p>7 Tell me when you're done reading, sir.</p> <p>8 A. I'm done.</p> <p>9 Q. Okay. Can I have it back?</p> <p>10 A. Uh-huh.</p> <p>11 Q. This is an e-mail once again that you</p> <p>12 were the author of, correct?</p> <p>13 A. That's correct.</p> <p>14 Q. December 6th, 2002, correct?</p> <p>15 A. That's correct.</p> <p>16 Q. And we're now almost two weeks</p> <p>17 backwards from the December 19th meeting, right?</p> <p>18 A. Uh-huh.</p> <p>19 Q. Yes?</p> <p>20 A. That's correct.</p> <p>21 Q. All right. And I assume that</p> <p>22 Mr. Graves hadn't gone on vacation by December</p> <p>23 6th, had he?</p> <p>24 A. I don't know.</p> <p>25 Q. You sent him a copy of this e-mail,</p>

<p style="text-align: right;">Page 97</p> <p>1 too, did you not?</p> <p>2 A. That's correct.</p> <p>3 Q. And you say here -- And you're writing</p> <p>4 to Graves and Precopi, Matthews, and Christian --</p> <p>5 "I need for you guys to initiate a payment terms</p> <p>6 waiver for Lextron because they are financially</p> <p>7 troubled." You were trying help him out; is that</p> <p>8 right?</p> <p>9 A. Uh-huh.</p> <p>10 Q. Is that correct?</p> <p>11 A. That's correct.</p> <p>12 Q. But you conclude the e-mail with "Our</p> <p>13 contingency plan may be necessary depending on the</p> <p>14 outcome of the meeting." And the meeting you're</p> <p>15 referring to was Mr. Doty and Sid Johnson were</p> <p>16 gong to get together, were they not?</p> <p>17 A. That's correct.</p> <p>18 Q. All right. So now we're back as early</p> <p>19 as December 6th. Greg Naylor and everyone working</p> <p>20 with you -- You're already referring to our</p> <p>21 contingency plan. It ain't, we need to go develop</p> <p>22 one. You were calling it our contingency plan,</p> <p>23 correct?</p> <p>24 A. That's correct.</p> <p>25 Q. So you already had one in place by</p>	<p style="text-align: right;">Page 99</p> <p>1 Q. But it's some kind of financial</p> <p>2 accommodation to Lextron to --</p> <p>3 A. If you want to look at it in that</p> <p>4 light. That's correct.</p> <p>5 Q. And in fact, the reason you know that</p> <p>6 is because an hour earlier on that day you wrote</p> <p>7 to Mr. Wheelock and told him that Sid and Mr. Doty</p> <p>8 were meeting the following week, correct?</p> <p>9 A. I don't have -- I don't recall the time</p> <p>10 from that one.</p> <p>11 Q. Well, it's 11:01 or something. Isn't</p> <p>12 it?</p> <p>13 A. Uh-huh.</p> <p>14 Q. And this one is 12:10, same day.</p> <p>15 A. Okay. That's correct.</p> <p>16 Q. And so the only two things that at that</p> <p>17 time that you were considering for Lextron was</p> <p>18 either Sid is going to change the terms or exit</p> <p>19 Lextron.</p> <p>20 A. No.</p> <p>21 Q. That is all your e-mail says, is it</p> <p>22 not?</p> <p>23 A. That's all that says, but that's not</p> <p>24 all I was considering.</p> <p>25 Q. Well, all you were telling Mr. Wheelock</p>
<p style="text-align: right;">Page 98</p> <p>1 December 6th, 2002?</p> <p>2 A. Well, it was a request for these guys</p> <p>3 to continue looking for alternative sources.</p> <p>4 Nothing was finalized even from a contingency plan</p> <p>5 standpoint at that point in time.</p> <p>6 Q. You would agree with me, sir, that the</p> <p>7 or phraseology, if you will, that you use here is</p> <p>8 an existing fact. "Our contingency plan may be</p> <p>9 necessary depending on the outcome of the</p> <p>10 meeting." Correct?</p> <p>11 A. That's correct.</p> <p>12 Q. And the contingency that you're</p> <p>13 referring to is terminating Lextron as a supplier</p> <p>14 unless Sid Johnson decides to give them some more</p> <p>15 favorable financial terms.</p> <p>16 A. I mean, that was one possibility.</p> <p>17 Q. Well, it's the only two possibilities</p> <p>18 that you and Mr. Wheelock were discussing at that</p> <p>19 time, was it not?</p> <p>20 A. Well, I thought we were also talking at</p> <p>21 that time about advanced payments and things like</p> <p>22 that outside the payments.</p> <p>23 Q. Well, that's a change in terms; is it</p> <p>24 not?</p> <p>25 A. It's almost really a loan.</p>	<p style="text-align: right;">Page 100</p> <p>1 is Sid's going to meet with Lextron next week and</p> <p>2 assess -- Sid's going to assess Lextron and</p> <p>3 determine Delphi's position . . . whether to exit</p> <p>4 or change terms. I'll let you know the result."</p> <p>5 That's what you told him.</p> <p>6 A. It's a quickie e-mail.</p> <p>7 Q. Well, a quickie e-mail that had the</p> <p>8 future of this company in its hands, correct?</p> <p>9 A. Not at that point.</p> <p>10 Q. Well, you're saying we can either</p> <p>11 change terms, or we're going to exit the supplier.</p> <p>12 A. I mean, there was no decision made</p> <p>13 there.</p> <p>14 Q. Sir, you're telling Mr. Wheelock Sid's</p> <p>15 going to meet with him and he's either going to</p> <p>16 change the terms or we're going to exit the</p> <p>17 supplier. You told him that, didn't you?</p> <p>18 A. I didn't say it was either/or.</p> <p>19 Q. Do you see any --</p> <p>20 A. Can I review it again?</p> <p>21 Q. Yes, sir, you absolutely can. Tell me</p> <p>22 if you find any more than two alternatives in that</p> <p>23 e-mail.</p> <p>24 A. I only see two alternatives. That's</p> <p>25 correct.</p>

<p style="text-align: right;">Page 105</p> <p>1 A. No.</p> <p>2 Q. And you don't know who paid for Alvarez</p> <p>3 & Marsal, do you?</p> <p>4 A. No, I don't.</p> <p>5 Q. You have no belief the bank paid for</p> <p>6 them?</p> <p>7 A. I didn't know who paid for them.</p> <p>8 Q. Well, he was paying for them. Mr. Doty</p> <p>9 was.</p> <p>10 MR. EASON:</p> <p>11 Object to the testimony.</p> <p>12 MR. FREESE:</p> <p>13 It was just for edification purposes.</p> <p>14 Q. All right. Now, I guess it's fair to</p> <p>15 say, sir, that by early December you were</p> <p>16 concerned enough about the financial viability of</p> <p>17 this company that you already had buyers forming</p> <p>18 contingency plans and by the middle of December</p> <p>19 predicting that you may need to execute those exit</p> <p>20 plans sooner than you thought.</p> <p>21 A. As better information became available.</p> <p>22 That's correct.</p> <p>23 Q. But you certainly knew that much in</p> <p>24 middle December of 2002?</p> <p>25 A. That's correct.</p>	<p style="text-align: right;">Page 107</p> <p>1 doing with them?</p> <p>2 A. That's correct.</p> <p>3 Q. All right. And then tell me about the</p> <p>4 first conversation that you had with Mr. Raine.</p> <p>5 A. I don't actually recall when my first</p> <p>6 conversation was with Mr. Raine. There was a</p> <p>7 conversation, I know, after the first of the year</p> <p>8 in 2003 where Sid had asked me to call Andy Raine</p> <p>9 regarding a letter.</p> <p>10 Q. All right. And what did Mr. Johnson</p> <p>11 tell you the reason was that you were supposed to</p> <p>12 call Mr. Raine?</p> <p>13 A. He basically just told me that Andy</p> <p>14 Raine wanted a letter identifying what we were</p> <p>15 doing.</p> <p>16 (Off the record.)</p> <p>17 MR. FREESE:</p> <p>18 Q. Mr. Naylor, we're back now. And to</p> <p>19 refresh you, my question was: When was the first</p> <p>20 time you spoke with Mr. Raine. You were telling</p> <p>21 me Sid Johnson had asked you to call him.</p> <p>22 A. Uh-huh.</p> <p>23 Q. Is that "yes"?</p> <p>24 A. That's correct.</p> <p>25 Q. All right. And what I'd like to know</p>
<p style="text-align: right;">Page 106</p> <p>1 Q. Now, when is the first time that you</p> <p>2 smoke to anyone at SouthTrust Bank?</p> <p>3 A. That gets a little leery. It was</p> <p>4 either December or January time frame. I don't</p> <p>5 recall.</p> <p>6 Q. Is 8 in front of you, sir?</p> <p>7 A. Yes.</p> <p>8 Q. All right. Let's look at the top of</p> <p>9 that exhibit. This is December 19th, 2002,</p> <p>10 correct?</p> <p>11 A. Uh-huh.</p> <p>12 Q. This is from you. "I talked with</p> <p>13 Lextron today regarding their cash flow. At this</p> <p>14 point in time they are pursuing capital from</p> <p>15 SouthTrust Bank which they believe will take 60-90</p> <p>16 days to complete." You say SouthTrust has</p> <p>17 stipulated that outside consultants Alvarez &</p> <p>18 Marsal conducted an independent review of</p> <p>19 Lextron's cash flow requirements. And you've</p> <p>20 already told me you don't know who hired who them,</p> <p>21 do you?</p> <p>22 A. That's correct.</p> <p>23 Q. "The review will be complete during</p> <p>24 shut down." All right. So as of middle December</p> <p>25 you knew who SouthTrust was and what Mr. Doty was</p>	<p style="text-align: right;">Page 108</p> <p>1 is what Mr. Johnson -- as specifically as you</p> <p>2 can -- told you about SouthTrust and what your</p> <p>3 marching orders were in dealing with SouthTrust.</p> <p>4 A. Well, it was a short conversation. He</p> <p>5 had just asked me to send him a letter letting</p> <p>6 them know what we were doing.</p> <p>7 Q. All right. And that was it?</p> <p>8 A. Pretty much.</p> <p>9 Q. What you were doing was building</p> <p>10 contingency plans to exit Lextron, was it not?</p> <p>11 A. We were identifying alternative</p> <p>12 sources.</p> <p>13 Q. Okay. That's what you were doing,</p> <p>14 correct?</p> <p>15 A. That's correct.</p> <p>16 Q. Did you share that little fact with</p> <p>17 Mr. Raine when you called him?</p> <p>18 A. No.</p> <p>19 Q. So you really didn't follow</p> <p>20 Mr. Johnson's instructions very well, did you?</p> <p>21 Because he called you and told you to call</p> <p>22 Mr. Raine and tell him what Delphi was doing. And</p> <p>23 the thing that you were most doing was</p> <p>24 establishing a contingency plan to exit Lextron.</p> <p>25 And that didn't get communicated to Mr. Raine, did</p>

<p>Page 109</p> <p>1 it?</p> <p>2 MR. EASON:</p> <p>3 Object to the form of the question.</p> <p>4 A. That did not get communicated.</p> <p>5 MR. FREESE:</p> <p>6 Q. What did Mr. Johnson ask you to</p> <p>7 communicate to Mr. Raine that you were doing at</p> <p>8 that time?</p> <p>9 A. He basically asked me really to contact</p> <p>10 Andy. And he was a little unclear as to really</p> <p>11 what Andy was looking for. And that's when I</p> <p>12 actually called Andy and had a general</p> <p>13 conversation with Andy.</p> <p>14 Q. But you can't remember specifically</p> <p>15 what it is he wanted you to tell Mr. Raine that</p> <p>16 you were "doing"?</p> <p>17 A. No, I can't.</p> <p>18 Q. So you called Mr. Raine. And you're</p> <p>19 not exactly sure of the day?</p> <p>20 A. No.</p> <p>21 Q. Do you know the month?</p> <p>22 A. I think it was January.</p> <p>23 Q. I think it was, too. And tell me what</p> <p>24 you recall you saying and what Mr. Raine said in</p> <p>25 that telephone conversation.</p>	<p>Page 111</p> <p>1 anything.</p> <p>2 Q. Really? What did you think they wanted</p> <p>3 an assurance for at least six months?</p> <p>4 A. Well, to make certain that they would</p> <p>5 try to remain viable. I don't know why six months</p> <p>6 because everything I had seen, you know, from</p> <p>7 Lextron showed that they couldn't make it even</p> <p>8 after six months.</p> <p>9 Q. And you knew that before you called</p> <p>10 Mr. Raine?</p> <p>11 A. I knew that I had some information, I</p> <p>12 believe, from Marvel Turner prior to them putting</p> <p>13 together any additional plans.</p> <p>14 Q. But what I'm getting at is, you said</p> <p>15 you thought it was odd that Mr. Raine was asking</p> <p>16 for a six-month assurance when you already</p> <p>17 believed based on what you knew even then that</p> <p>18 they wouldn't be viable even after six months,</p> <p>19 correct?</p> <p>20 A. Well, everything was odd to me. I</p> <p>21 mean, I traditionally don't have a bank calling</p> <p>22 me.</p> <p>23 Q. Well, the bank didn't call you. You</p> <p>24 called them.</p> <p>25 A. Or I don't have request -- I</p>
<p>Page 110</p> <p>1 A. It was a conversation. I called Andy</p> <p>2 and let him know who I was and that Sid had</p> <p>3 requested for me to touch base with him and to</p> <p>4 follow up on a -- I guess, a previous conversation</p> <p>5 that they had had. And basically had asked Andy</p> <p>6 what did he want from me.</p> <p>7 Q. Okay. And what did he tell you?</p> <p>8 A. He requested -- From what I recall, he</p> <p>9 had requested a letter for Delphi to stay or to</p> <p>10 keep their business at Lextron for six months.</p> <p>11 Q. All right. What else?</p> <p>12 A. That's really all I recall.</p> <p>13 Q. And what did you tell him when he asked</p> <p>14 you that?</p> <p>15 A. I told him I couldn't -- I really told</p> <p>16 him that we really didn't have any intentions on</p> <p>17 moving the business, but I didn't know if I could</p> <p>18 get him the letter. And I would check with him</p> <p>19 and get back with him soon.</p> <p>20 Q. All right. So you said Mr. Raine asked</p> <p>21 you to promise that Delphi would at least give</p> <p>22 Lextron business for six months so they could get</p> <p>23 over this financial hump, correct?</p> <p>24 A. I didn't know what it was for. I</p> <p>25 didn't know that it was to bridge their gap or</p>	<p>Page 112</p> <p>1 traditionally don't have request to call a bank</p> <p>2 from a purchasing standpoint.</p> <p>3 Q. Well, in this case you called the bank;</p> <p>4 the bank didn't call you.</p> <p>5 A. Well, it was a follow-up to a call that</p> <p>6 they had made to Sid from my understanding.</p> <p>7 Q. All right. And before you made this</p> <p>8 call to the bank, you had already gathered</p> <p>9 information that six months would not be a</p> <p>10 sufficient amount of time for Lextron to remain</p> <p>11 viable?</p> <p>12 A. I had tentative --</p> <p>13 MR. EASON:</p> <p>14 Object to the form of the question.</p> <p>15 MR. FREESE:</p> <p>16 Q. Well, that's what you said, isn't it,</p> <p>17 sir?</p> <p>18 A. I had tentative information from</p> <p>19 Mr. Doty's CFO that showed a cash flow that showed</p> <p>20 that there was a deteriorating cash flow situation</p> <p>21 through six months.</p> <p>22 Q. What else did Mr. Raine ask for other</p> <p>23 than for Delphi to assure him that they would stay</p> <p>24 with Lextron for at least six months?</p> <p>25 A. Ask that question again.</p>

<p style="text-align: right;">Page 113</p> <p>1 Q. It was probably a bad question. It's 2 late in the day. Was there anything else 3 Mr. Raine asked of you in that telephone 4 conversation? 5 A. I don't recall. 6 Q. All right. Was there anything that 7 Mr. Raine asked of you other than a letter 8 assuring SouthTrust that Delphi would stick with 9 Lextron for at least six months? 10 A. I don't recall. 11 Q. You do recall telling him that Delphi 12 at that time had no intention of exiting Lextron; 13 is that correct? 14 A. Yes. 15 Q. But in fact, as we've shown from all 16 these e-mails, you were actively pursuing an exit 17 strategy -- 18 A. I was pursuing a contingency plan. 19 Q. Well, you say that, but what you said 20 in your December e-mail was that we have to 21 execute our plan earlier than we think or thought. 22 A. Yeah. A contingency. It's still a 23 contingency. 24 Q. And you knew that in December? 25 A. I knew we had -- we had contingency</p>	<p style="text-align: right;">Page 115</p> <p>1 A. Not necessarily. 2 Q. Well, tell me why -- when you say not 3 necessarily -- When would it be forthright and 4 when would it not be forthright to share that 5 information with Mr. Raine? 6 A. Well, SouthTrust was not a supplier to 7 Delphi. I had -- 8 Q. So to heck with them? 9 A. Not to heck with them. I had no 10 compelling reason to share that information with 11 Mr. Doty's banker prior to sharing any information 12 with Mr. Doty. 13 Q. Fair enough. Well then, sir, if you 14 had no compelling reason not to share that 15 information with the bank who's keeping Mr. Doty's 16 business afloat, why not tell him? 17 MR. EASON: 18 He said he had no compelling reason to 19 share it with them. 20 MR. FREESE: 21 Q. Well, sir, you understood, did you not, 22 and let's draw on your MBA and your CPA for a 23 moment here. 24 A. Uh-huh. 25 Q. You know the reason why Mr. Raine</p>
<p style="text-align: right;">Page 114</p> <p>1 plans developing. 2 Q. And you did not share that with 3 Mr. Raine when you spoke with him, did you? 4 A. That is correct. 5 Q. For the very same reason that you 6 didn't want to share it with Mr. Doty. And that 7 is if SouthTrust did not give their financial 8 backing to Lextron, not only would they not make 9 it six months, they wouldn't make it six weeks 10 would they? 11 A. Andy never asked for that question. 12 Q. I didn't ask you if he asked you for 13 it. Listen to my question. 14 A. My purpose of the call back to Andy was 15 to determine what he wanted from me, and I was 16 asking Andy what are you looking for from me. I 17 did not offer up that information if that's what 18 you're asking. 19 Q. That is what I'm asking. 20 A. Okay. 21 Q. Even though you had it? 22 A. Even though I had it. 23 Q. Now, if you were being forthright and 24 fair to SouthTrust, you would have offered up that 25 information, would you not?</p>	<p style="text-align: right;">Page 116</p> <p>1 wanted the assurance that Delphi was not going to 2 cut and run and leave Lextron hanging, don't you? 3 You know that's what the bank wanted to know. 4 A. That's correct. 5 Q. Because you, your company, was asking 6 SouthTrust to forebear on a note that they had 7 with Lextron, were you not? 8 A. At that time I did not know we were 9 asking for that. 10 Q. You didn't know that? 11 A. No. 12 Q. Did you know that you were asking 13 SouthTrust to extend and additional \$800,000 in 14 credit to Mr. Doty? 15 A. I did not know Delphi was asking for 16 that much -- 17 Q. Did you know that -- 18 A. -- or that dollar amount. 19 Q. All right. Did you later become aware 20 of that? 21 A. It was really all news to me when I 22 found out about the forbearance agreement. I 23 actually had to ask what does it mean? 24 Q. When did you find out about it? 25 A. I don't recall. It's in my notes.</p>

<p style="text-align: right;">Page 117</p> <p>1 It's probably like the 14th or the 15th.</p> <p>2 Q. Right. Let's get back to all that</p> <p>3 financial education of yours now. You know this</p> <p>4 is important information to the bank -- how</p> <p>5 committed Delphi is to Lextron. Because if</p> <p>6 Delphi, the 85 percent supplier of business to</p> <p>7 Lextron, is not going to stay with them, then</p> <p>8 SouthTrust is not going to extend additional money</p> <p>9 and is not going to forebear any more on its note.</p> <p>10 You know that, do you not?</p> <p>11 A. Most of it.</p> <p>12 Q. All right. And you knew it when you</p> <p>13 talked to Mr. Raine, didn't you?</p> <p>14 A. That's correct.</p> <p>15 Q. All right. Have you told me everything</p> <p>16 that you recall you saying and everything</p> <p>17 Mr. Raine said to you in the telephone</p> <p>18 conversation?</p> <p>19 A. Yes.</p> <p>20 Q. And did you tell Mr. Raine I'll see</p> <p>21 what kind of letter I can get to you?</p> <p>22 A. That's correct.</p> <p>23 Q. Now let me show you Exhibit 2 and ask</p> <p>24 if that's the letter that you prepared after your</p> <p>25 conversation with Mr. Raine?</p>	<p style="text-align: right;">Page 119</p> <p>1 Q. You write "As a follow-up to our</p> <p>2 conversation this morning." So it appears you</p> <p>3 wrote the letter the same day, frankly, does it</p> <p>4 not?</p> <p>5 A. I'd have to take a look at it again on</p> <p>6 the date. That's correct.</p> <p>7 Q. So the very same day you talked to</p> <p>8 Mr. Raine -- You have a computer at your desk?</p> <p>9 A. Yes.</p> <p>10 Q. You sit down and peck out this letter</p> <p>11 to Mr. Raine, correct?</p> <p>12 A. That's correct.</p> <p>13 Q. All right. And you say in here "I am</p> <p>14 writing you this memo to re-iterate Delphi's focus</p> <p>15 to maintain and grow Lextron Corporation as a</p> <p>16 valued supplier." Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. Was that a true statement when you made</p> <p>19 it?</p> <p>20 A. Yes. Again, we were continuing to move</p> <p>21 business into Lextron.</p> <p>22 Q. Business that you can't remember</p> <p>23 exactly what it was.</p> <p>24 A. That's correct.</p> <p>25 Q. So you told Mr. Raine in the telephone</p>
<p style="text-align: right;">Page 118</p> <p>1 A. That's correct.</p> <p>2 Q. Now, how soon after your conversation</p> <p>3 with Mr. Raine did you prepare Exhibit 2?</p> <p>4 A. I think a day or so after.</p> <p>5 Q. And were you in Ohio at the time that</p> <p>6 you prepared this letter?</p> <p>7 A. Yes.</p> <p>8 Q. And were you being honest in this draft</p> <p>9 of the letter that you prepared?</p> <p>10 A. Yes.</p> <p>11 Q. You were trying to uphold the ethical</p> <p>12 principles of your company, correct?</p> <p>13 A. Yes.</p> <p>14 Q. Did this letter accurately describe</p> <p>15 what you and Mr. Raine talked about in the</p> <p>16 telephone conversation?</p> <p>17 MR. EASON:</p> <p>18 Why don't you let him see it?</p> <p>19 MR. FREESE:</p> <p>20 Sure. I'm sorry.</p> <p>21 Q. The question, sir, is: Does the letter</p> <p>22 accurately describe the content and the request</p> <p>23 Mr. Raine made of you in that telephone</p> <p>24 conversation?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 120</p> <p>1 conversation that Delphi's focus was to maintain</p> <p>2 and grow Lextron as a valued supplier.</p> <p>3 A. That's correct.</p> <p>4 Q. And you also told Mr. Raine that</p> <p>5 "Resources are being committed by Delphi to assist</p> <p>6 Lextron (including a reduction in our payment</p> <p>7 terms to Net 15) during it's cash flow shortfall."</p> <p>8 A. That's correct.</p> <p>9 Q. And you also told Mr. Raine "In turn,</p> <p>10 Delphi has no intentions of exiting Lextron."</p> <p>11 Correct?</p> <p>12 A. What I was saying was we were taking</p> <p>13 the necessary steps to continue our relationship.</p> <p>14 Q. And you were saying you have no</p> <p>15 intentions of exiting Lextron, correct?</p> <p>16 A. And at that point in time, we had no</p> <p>17 intentions of exiting Lextron.</p> <p>18 Q. Even though three weeks earlier you</p> <p>19 were advising your buyers that you might have to</p> <p>20 expedite your termination of Lextron, were you</p> <p>21 not?</p> <p>22 A. That's correct.</p> <p>23 Q. Do you think that may be a false</p> <p>24 representation that you made to Mr. Raine that you</p> <p>25 had no intention of exiting Lextron.</p>

30 (Pages 117 to 120)

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<p>1 A. It was not a false representation.</p> <p>2 Q. Do you believe it was a misleading</p> <p>3 representation that you made?</p> <p>4 A. No. No, I do not.</p> <p>5 Q. Do you believe it was deceitful in any</p> <p>6 way?</p> <p>7 A. No, I do not.</p> <p>8 Q. Was the intent of you telling Mr. Raine</p> <p>9 that you had no intention of exiting Lextron was</p> <p>10 to give them a sense of trust and that you were</p> <p>11 going to hang in and support Lextron just like</p> <p>12 Delphi was asking SouthTrust to do. Was that what</p> <p>13 you were doing when you told Mr. Raine that?</p> <p>14 A. No.</p> <p>15 Q. Why were you telling Mr. Raine that you</p> <p>16 had no intention of exiting Lextron?</p> <p>17 A. Because basically, it was really</p> <p>18 because Andy had asked for the letter.</p> <p>19 Q. And he said, Mr. Naylor, I'd like a</p> <p>20 letter assuring me that you have no intention of</p> <p>21 exiting Lextron, correct?</p> <p>22 A. That's correct.</p> <p>23 Q. And you sat down --</p> <p>24 A. For six months.</p> <p>25 Q. Well, I don't see six months in here</p>	<p>1 A. I don't recall when the conversation</p> <p>2 occurred. I just said at the beginning of</p> <p>3 January.</p> <p>4 Q. But in any event Mr. Raine asked for</p> <p>5 your assurance, and you gave him your verbal</p> <p>6 assurance that at that time Delphi had no</p> <p>7 intention of exiting Lextron?</p> <p>8 A. That's correct.</p> <p>9 Q. And then you went -- And consistent</p> <p>10 with your oral statement to him, you typed it into</p> <p>11 this memo.</p> <p>12 A. That's correct.</p> <p>13 Q. All right. And then you said</p> <p>14 "Additionally, because of Delphi's support and</p> <p>15 interest in Lextron, Delphi is requesting</p> <p>16 SouthTrust to continue its support of Lextron."</p> <p>17 Do you see that?</p> <p>18 A. That's correct.</p> <p>19 Q. Now, there you're speaking on behalf of</p> <p>20 Delphi, correct?</p> <p>21 A. That's correct.</p> <p>22 Q. And you're asking SouthTrust to support</p> <p>23 Lextron, are you not?</p> <p>24 A. Yes.</p> <p>25 Q. And the reason you say that you are</p>
Page 122	Page 124
<p>1 anywhere. Did you see six months in here?</p> <p>2 A. Well, I was following up that that's</p> <p>3 what he had asked for.</p> <p>4 Q. But in your letter right after your</p> <p>5 phone conversation you made no mention of the six</p> <p>6 months, do you?</p> <p>7 A. That's correct.</p> <p>8 Q. And this letter was drafted the same</p> <p>9 day as that conversation?</p> <p>10 A. Possibly.</p> <p>11 Q. Well, it says it was. "As a follow-up</p> <p>12 to our conversation this morning." Correct?</p> <p>13 A. Well, a lot of times I'll draft memos</p> <p>14 on paper and then just when I actually type the</p> <p>15 memo I'll just write it like that. When I</p> <p>16 actually typed it, it could have been a different</p> <p>17 day.</p> <p>18 Q. Would you type a memo two or three days</p> <p>19 later saying following our conversation this</p> <p>20 morning if you talked to him two or three days</p> <p>21 ago?</p> <p>22 A. Possibly. I was very busy at that</p> <p>23 time. Possibly.</p> <p>24 Q. Well, sir, you said the conversation</p> <p>25 occurred on January 8th, did it not?</p>	<p>1 asking SouthTrust to support Lextron is because</p> <p>2 Delphi is going to support Lextron?</p> <p>3 A. I'm not sure that's a fair statement.</p> <p>4 Q. Well, then look at it again, sir, and</p> <p>5 tell me if that's not a fair statement.</p> <p>6 A. What's your question again?</p> <p>7 Q. Look at the last paragraph that you</p> <p>8 wrote.</p> <p>9 A. What's the question again?</p> <p>10 Q. The question is: You were asking</p> <p>11 SouthTrust to support Lextron, and the basis upon</p> <p>12 which you were asking SouthTrust to support</p> <p>13 Lextron was because Delphi was going to support</p> <p>14 Lextron?</p> <p>15 A. It was not a because.</p> <p>16 Q. Well, read the sentence to the jury</p> <p>17 then, sir.</p> <p>18 A. "Additionally, because of Delphi's</p> <p>19 support and interest in Lextron, Delphi is</p> <p>20 requesting SouthTrust Bank to continue its support</p> <p>21 of Lextron."</p> <p>22 Q. All right. It said because of our</p> <p>23 support of Lextron, we're asking you to support</p> <p>24 Lextron.</p> <p>25 A. Okay.</p>

<p style="text-align: right;">Page 125</p> <p>1 Q. You agree with that?</p> <p>2 A. That's correct.</p> <p>3 Q. Those are your words?</p> <p>4 A. Uh-huh.</p> <p>5 Q. Yes?</p> <p>6 A. That's correct.</p> <p>7 Q. Back up for a second. You knew how</p> <p>8 important this letter was to SouthTrust making a</p> <p>9 fair and informed decision about lending money to</p> <p>10 Lextron, didn't you?</p> <p>11 A. No. I didn't know that that letter was</p> <p>12 going to result in additional money or any</p> <p>13 additional money being lent.</p> <p>14 Q. Well, what did you think continued</p> <p>15 support meant?</p> <p>16 A. From my standpoint, it was almost like</p> <p>17 hey, don't foreclose on this situation.</p> <p>18 Q. Well, you said you didn't have any idea</p> <p>19 about that.</p> <p>20 A. Well, that's the thought process that I</p> <p>21 had when I wrote that.</p> <p>22 Q. Well, wait a minute. If you had a</p> <p>23 thought process, you had to be thinking something</p> <p>24 I assume.</p> <p>25 A. Uh-huh.</p>	<p style="text-align: right;">Page 127</p> <p>1 from other than SouthTrust, correct?</p> <p>2 A. Mr. Doty told me that he was seeking</p> <p>3 funds from an equity partner.</p> <p>4 Q. All right. You're not listening to my</p> <p>5 question. Equity is not debt, is it, sir?</p> <p>6 A. That's correct.</p> <p>7 Q. That's the first day of accounting; is</p> <p>8 it not?</p> <p>9 A. That's correct.</p> <p>10 Q. Okay. Listen to my question. Mr. Doty</p> <p>11 told you that he was seeking loans, debt from</p> <p>12 nobody other than SouthTrust Bank?</p> <p>13 A. I didn't know that at the time?</p> <p>14 Q. He didn't tell you that?</p> <p>15 A. I didn't know that SouthTrust was the</p> <p>16 only.</p> <p>17 Q. Well, how many phone calls did Sid</p> <p>18 Johnson ask you to make to any other banks?</p> <p>19 A. He didn't ask me to make any to any</p> <p>20 other banks.</p> <p>21 Q. One bank?</p> <p>22 A. One bank.</p> <p>23 Q. So a fair conclusion is that if</p> <p>24 Mr. Doty's seeking additional money, it's going to</p> <p>25 be from the bank that's calling Sid Johnson,</p>
<p style="text-align: right;">Page 126</p> <p>1 Q. What kind of support did you think</p> <p>2 SouthTrust Bank could give to Lextron?</p> <p>3 A. Just not calling their existing loan</p> <p>4 that I thought Charles was in arrears on.</p> <p>5 Q. Well, if you were talking with</p> <p>6 Mr. Doty, you knew he was seeking additional</p> <p>7 money, did you not?</p> <p>8 A. That's correct.</p> <p>9 Q. He told you that.</p> <p>10 A. That's correct.</p> <p>11 Q. And you knew he was seeking the money</p> <p>12 from SouthTrust?</p> <p>13 A. No. He had multiple sources he was</p> <p>14 seeking money from. He was looking for an equity</p> <p>15 partner is what he told us.</p> <p>16 Q. Who did Mr. Doty tell you that he was</p> <p>17 seeking loans from other than SouthTrust?</p> <p>18 A. He told me an equity partner. He</p> <p>19 didn't give a name.</p> <p>20 Q. Well, a bank is not an equity -- I</p> <p>21 mean --</p> <p>22 A. That's what I'm saying. The bank was</p> <p>23 not the only party here.</p> <p>24 Q. I understand, sir. But there was no</p> <p>25 other bank that Doty told you he was seeking funds</p>	<p style="text-align: right;">Page 128</p> <p>1 correct?</p> <p>2 A. Correct.</p> <p>3 Q. All right. What you meant by</p> <p>4 SouthTrust's support was you wanted -- that is</p> <p>5 Delphi -- was asking for SouthTrust's continued</p> <p>6 financial support to Lextron, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. And you would agree with me as you</p> <p>9 stated earlier that if SouthTrust knew all the</p> <p>10 facts and decided if Delphi is going to cut and</p> <p>11 run on Lextron, we're not going to continue to</p> <p>12 financially support that company like Delphi was</p> <p>13 asking. And that had potentially catastrophic</p> <p>14 effects on Delphi, did it not?</p> <p>15 A. That's correct.</p> <p>16 Q. And you knew that when you talked to</p> <p>17 Mr. Raine, didn't you?</p> <p>18 A. That's correct.</p> <p>19 Q. And that's why you felt comfortable</p> <p>20 saying we have no intentio of leaving the man;</p> <p>21 we're going to support him, and we would like you</p> <p>22 to support him.</p> <p>23 A. That's correct.</p> <p>24 Q. You then e-mailed this letter to Marti</p> <p>25 Everett.</p>

<p style="text-align: right;">Page 129</p> <p>1 A. Okay.</p> <p>2 Q. She's become known as the clairvoyant,</p> <p>3 which I'll explain to you later on. Okay?</p> <p>4 A. Uh-huh.</p> <p>5 Q. Do you know the woman?</p> <p>6 A. Yes.</p> <p>7 MR. EASON:</p> <p>8 Object to the speech. I move to</p> <p>9 strike it.</p> <p>10 MR. FREESE:</p> <p>11 Q. Now, why did you send this letter to</p> <p>12 Ms. Everett?</p> <p>13 A. Because I had a lot of reluctance on</p> <p>14 making any type of commitment on Delphi's behalf.</p> <p>15 Q. Even though your boss told you to call</p> <p>16 Andy?</p> <p>17 A. That's correct.</p> <p>18 Q. Did he tell you whether or not you</p> <p>19 could send the bank a letter?</p> <p>20 A. He told me to send them a letter as to</p> <p>21 what we were doing, and that was it.</p> <p>22 Q. And in fact you e-mailed to Mr. Johnson</p> <p>23 the very letter that you typed right after your</p> <p>24 conversation with Mr. Raine, didn't you?</p> <p>25 A. That's correct.</p>	<p style="text-align: right;">Page 131</p> <p>1 A. No. I had sent it -- I think when I</p> <p>2 sent it to Larry, I think, it was late in the day.</p> <p>3 And he had told me 5:00 that evening to go to</p> <p>4 Lextron. And we hadn't talked about that letter</p> <p>5 at all.</p> <p>6 Q. But you sent it to Marti, Sid, and</p> <p>7 Larry at the same time?</p> <p>8 A. That's correct.</p> <p>9 Q. Now, after you sent it to Marti, did</p> <p>10 she call you back?</p> <p>11 A. When I had sent it, I don't think we</p> <p>12 had an opportunity to talk until after I had</p> <p>13 arrived in Mississippi.</p> <p>14 Q. Did you talk to her when you arrived?</p> <p>15 A. Shortly thereafter.</p> <p>16 Q. All right. And let me back up for a</p> <p>17 second. What was your reservation about sending a</p> <p>18 letter that might be committing Delphi to</p> <p>19 something?</p> <p>20 A. You know, it was a reservation that I</p> <p>21 just didn't have -- 1) I didn't want to have</p> <p>22 authority -- I didn't think I had authority and 2)</p> <p>23 what it can be misconstrued as in terms of</p> <p>24 commitment.</p> <p>25 Q. You recognized even as you were typing</p>
<p style="text-align: right;">Page 130</p> <p>1 Q. Did Mr. Johnson call you and say, Greg,</p> <p>2 we ain't sending that letter to Andy Raine at the</p> <p>3 bank?</p> <p>4 A. No.</p> <p>5 Q. Did he even call you and say there was</p> <p>6 anything in your letter that gave him any</p> <p>7 heartburn or any concern whatsoever?</p> <p>8 A. Not that I recall.</p> <p>9 Q. And you also sent it to Larry Graves,</p> <p>10 did you not?</p> <p>11 A. That's correct.</p> <p>12 Q. Did Larry call you and say, you know,</p> <p>13 Greg, we better not be saying this to SouthTrust</p> <p>14 Bank because we've got all of those people milling</p> <p>15 around out there, you know, doing these</p> <p>16 contingency plans. Did he express any reservation</p> <p>17 to you about sending that letter to SouthTrust</p> <p>18 Bank?</p> <p>19 MR. EASON:</p> <p>20 Object to the form of the question.</p> <p>21 A. I'm not sure if Larry really had the</p> <p>22 opportunity based on timing. When it was sent to</p> <p>23 Larry, I was on a plane and traveling thereafter.</p> <p>24 Q. It was sent by your secretary or</p> <p>25 something?</p>	<p style="text-align: right;">Page 132</p> <p>1 that letter that it might be viewed differently by</p> <p>2 SouthTrust than maybe you intended it?</p> <p>3 A. That's correct.</p> <p>4 Q. That SouthTrust might actually have</p> <p>5 relied on that letter consistent with your oral</p> <p>6 representations to the bank, correct?</p> <p>7 A. That's correct.</p> <p>8 Q. And you didn't want that to happen, did</p> <p>9 you?</p> <p>10 A. That's correct.</p> <p>11 Q. Sir, why would you tell a man something</p> <p>12 at a bank and then put it in writing and then feel</p> <p>13 reluctant to put in writing when you've already</p> <p>14 told the man that?</p> <p>15 A. Because writing is different that</p> <p>16 verbal. I've always viewed writing as different</p> <p>17 than verbal.</p> <p>18 Q. Are you supposed to be more honest in</p> <p>19 writing than you are when you're verbal?</p> <p>20 A. Well, writing is kind of like in blood</p> <p>21 so to speak.</p> <p>22 Q. Well, aren't you suppose to be honest</p> <p>23 all the time?</p> <p>24 A. I am honest all the time.</p> <p>25 Q. And so when you wrote that memo, you</p>

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<p>1 were being as close in that conversation with 2 Mr. Raine as you could have, correct? 3 A. That's correct. 4 Q. And it gave you a little pause or 5 concern what you were about to send to Mr. Raine, 6 didn't it? 7 A. That's correct. 8 Q. Because you were concerned that it 9 might not really be that accurate or honest of 10 statement, correct? 11 A. As well as was I following procedure 12 from a Delphi standpoint.. 13 Q. Well, Mr. Johnson -- two levels above 14 you -- had given you the authority to write the 15 letter, hadn't he? 16 A. Not that letter. 17 Q. A letter? 18 A. A letter. 19 Q. Now, let me ask you something, 20 Mr. Naylor. When you had this epiphany after 21 writing this letter that you felt uncomfortable 22 with, did you have any cause to think, you know 23 what, maybe I ought to call Mr. Raine back because 24 I've not put down on paper -- which you said is 25 more like in blood -- what we've talked about, and</p>	<p>1 Q. Now, Marti got a hold of your letter, 2 didn't she? 3 A. Yeah. It was sent to Marti. 4 Q. She e-mails you back at 5:00 p.m. on 5 the next day, correct? 6 A. I guess. 7 Q. Well let me show you Exhibit 3. 8 A. Okay. Am I on the distribution here? 9 Q. Are you not? 10 A. No. 11 Q. So you've written the letter. She's 12 now taking your letter -- Okay. Well, that's a 13 good point, Mr. Naylor. I'm sorry I missed that. 14 She takes your letter, and she doesn't even bother 15 to send it back to you; is that correct? 16 A. I'm not sure. 17 Q. Well, it shows -- at least it shows 18 here -- that she didn't even send this letter back 19 to you, did she? 20 A. My letter? I don't know if that's my 21 version there. 22 Q. Well, that's what we're about to talk 23 about. 24 A. Okay. 25 Q. And these documents are Bates stamped</p>
Page 134	Page 136
<p>1 I just ain't feeling real comfortable about what I 2 put down on paper. Did you ever think about doing 3 that? 4 A. I may have. 5 Q. But you didn't act on it, did you? 6 A. I don't recall. 7 Q. You didn't call him back and tell him, 8 Andy, by the way, all that stuff I told you, it's 9 not true, don't rely on it. You didn't do that, 10 did you? 11 A. No. 12 Q. So Mr. Raine was left with the 13 impression that he was dealing A) with an honest 14 person, correct? 15 A. That's correct. 16 Q. And that he could rely on the truth of 17 what this honest person was telling him about the 18 intentions of Delphi, correct? 19 A. That's correct. 20 Q. And you wanted Mr. Raine to rely on 21 what you were saying, did you not? 22 A. Yes. 23 Q. You wanted him to believe you on behalf 24 of Delphi, did you not? 25 A. That's correct.</p>	<p>1 together. I believe that this e-mail cover 2 sheet -- this letter behind it is the attachment 3 to this e-mail cover sheet. You don't have any 4 reason to dispute that, do you? 5 A. No. 6 Q. Now, Ms. Everett takes your letter, and 7 she sends it Chip High, correct? It says Lloyd 8 here. That's Chip. 9 A. I can read that. Uh-huh. 10 Q. He's the finance guy that wanted to cut 11 Lextron off back in August or September, correct? 12 A. That's correct. 13 Q. She sends it to Larry Graves who's busy 14 as you say with other things at the time? 15 A. That's correct. 16 Q. And doesn't even bother sending you a 17 copy of it, correct? 18 A. A copy of -- 19 Q. Of now a second draft of the letter 20 that's proposed to go to SouthTrust? 21 A. Okay. 22 Q. Did you agree with that? She does not? 23 A. I think I've seen the second draft. 24 Q. Take a moment and look at Exhibit 3, 25 sir, which is Ms. Everett's version of your</p>

<p style="text-align: right;">Page 137</p> <p>1 letter.</p> <p>2 A. Ms. Everett's version?</p> <p>3 Q. Well, I'm assuming it's hers because</p> <p>4 she's the person the letter's coming from that</p> <p>5 she's sending to Chip High and to Mr. Graves.</p> <p>6 A. Well, this has my name that it's coming</p> <p>7 from me.</p> <p>8 Q. I understand.</p> <p>9 A. But I didn't draft this.</p> <p>10 Q. I understand that, sir. That's what</p> <p>11 we're about to talk about.</p> <p>12 A. Okay.</p> <p>13 Q. Ms. Everett gets your letter -- She</p> <p>14 leaves your name on there, does she not?</p> <p>15 A. That's what it appears to have</p> <p>16 happened.</p> <p>17 Q. Where is she?</p> <p>18 A. I don't know.</p> <p>19 Q. I mean, physically, where's her office?</p> <p>20 A. In Troy, Michigan.</p> <p>21 Q. What is that, a couple hundred miles</p> <p>22 from your office in Cleveland?</p> <p>23 A. Thereabouts.</p> <p>24 Q. So you're having this conversation with</p> <p>25 Andy Raine, she's a couple hundred miles away in</p>	<p style="text-align: right;">Page 139</p> <p>1 Lextron Corporation as a valued supplier." Do you</p> <p>2 see that?</p> <p>3 A. Yes.</p> <p>4 Q. She's taken out the word grow now,</p> <p>5 hasn't she? From your version of the letter.</p> <p>6 A. That's correct.</p> <p>7 Q. Now, you're telling Andy in writing,</p> <p>8 you know, we want it to grow. And in fact you</p> <p>9 told me, we thought we still were growing them,</p> <p>10 right?</p> <p>11 A. That's correct.</p> <p>12 Q. But for some reason Ms. Everett thinks</p> <p>13 we better take out the word "grow," so we're going</p> <p>14 to focus on maintaining Lextron Corporation,</p> <p>15 correct?</p> <p>16 A. That word grow is --</p> <p>17 Q. Deleted?</p> <p>18 A. Uh-huh.</p> <p>19 Q. Yes?</p> <p>20 A. Yes.</p> <p>21 Q. All right. Without your permission?</p> <p>22 A. Without my knowledge.</p> <p>23 Q. Without your knowledge even though you</p> <p>24 told Mr. Raine that, correct?</p> <p>25 A. Well, I had actually requested Marti to</p>
<p style="text-align: right;">Page 138</p> <p>1 Michigan. She's not on the conversation with</p> <p>2 Mr. Raine, is she?</p> <p>3 A. I'm not sure.</p> <p>4 Q. When you talked to Mr. Raine, it was</p> <p>5 just you and Mr. Raine, wasn't it?</p> <p>6 A. Oh, was she in that conversation?</p> <p>7 Q. Yes, sir.</p> <p>8 A. No. She was not in that conversation.</p> <p>9 Q. All right. And you're writing this</p> <p>10 letter to Mr. Raine to memorialize the discussion</p> <p>11 you two had?</p> <p>12 A. That's correct. From my standpoint.</p> <p>13 Q. So Ms. Everett, who's not a party to</p> <p>14 this conversation, starts putting her handiwork</p> <p>15 together in this letter. Okay? Is that correct?</p> <p>16 A. That's correct.</p> <p>17 Q. Now, she says "As a follow-up to our</p> <p>18 conversation this morning" as though this is Greg</p> <p>19 Naylor writing the letter still, correct?</p> <p>20 A. Presumably.</p> <p>21 Q. You didn't write this version of the</p> <p>22 letter, did you?</p> <p>23 A. No, I did not.</p> <p>24 Q. All right. She says, "I am writing you</p> <p>25 this memo to re-iterate Delphi's focus to maintain</p>	<p style="text-align: right;">Page 140</p> <p>1 feel free to modify the letter as she sees fit.</p> <p>2 So tentatively she did have my --</p> <p>3 Q. Did she have the editorial license to</p> <p>4 modify it so it wasn't accurate anymore, sir?</p> <p>5 A. Well, I hadn't had a chance to review</p> <p>6 it to see that it was not accurate.</p> <p>7 Q. She didn't give you the chance, did</p> <p>8 she, because she didn't send it to you?</p> <p>9 A. No, she did not.</p> <p>10 Q. So how is she going to know whether or</p> <p>11 not her version of your conversation with</p> <p>12 Mr. Raine is accurate or not if A) she's not in on</p> <p>13 the conversation and B) she doesn't send you a</p> <p>14 copy of her version of the letter?</p> <p>15 A. I don't know.</p> <p>16 Q. There ain't no way in the world she can</p> <p>17 do, is there?</p> <p>18 A. No.</p> <p>19 Q. She then goes on to say "in turn Delphi</p> <p>20 has no current intentions of exiting Lextron."</p> <p>21 Now was that in your first letter?</p> <p>22 A. "In turn, Delphi has no current</p> <p>23 intentions of exiting Lextron" is in my current</p> <p>24 letter.</p> <p>25 Q. She's modified your letter again,</p>

35 (Pages 137 to 140)

<p style="text-align: right;">Page 141</p> <p>1 hasn't she? She's changed "no intention of 2 exiting Lextron" to "no current intention of 3 exiting Lextron"? 4 A. That's correct. 5 Q. She's added a word, and that word gives 6 you or gives somebody a little more wiggle room, 7 doesn't it? Saying having no intention versus 8 having no current intention has a different 9 meaning, does it not? 10 A. That's correct. 11 Q. Because if you have no current 12 intention, that intention can change the next day, 13 couldn't it? 14 A. Depending on your definition of 15 current. 16 Q. That was not in your contemporaneous 17 version of the letter, was it? 18 A. The word? No, "current" was not in 19 mine. 20 Q. Your version was much stronger, was it 21 not? We have no intentions of exiting Lextron. 22 A. Depends on your interpretation. 23 Q. Well, you would agree with me that a 24 receiver -- If you have the choice of being given 25 assurance of what the future holds, you'd rather</p>	<p style="text-align: right;">Page 143</p> <p>1 Q. So she just added something that had 2 never even occurred, didn't she? 3 A. That's correct. 4 Q. Now, when's the first time you saw her 5 version of the letter? 6 A. It was probably mid to late January at 7 the earliest. 8 Q. So well after it was sent. Hers was 9 not sent, but well after the letter was sent. 10 A. That's correct. 11 Q. All right. And am I correct, sir, that 12 you never got to give your input on Ms. Everett's 13 letter? 14 A. That's correct. 15 Q. All right. Did you ever even see it 16 again before it was sent to Mr. Raine? 17 A. I don't ever recall ever seeing Marti's 18 editing ever. I mean, I saw my version, and I saw 19 the version that was actually submitted or 20 e-mailed. 21 Q. How long after the version that was 22 sent to SouthTrust was it before you saw that 23 version? 24 A. Saw the version -- 25 Q. The altered version.</p>
<p style="text-align: right;">Page 142</p> <p>1 get the version that says "no intention" versus 2 "no current intention," would you not? 3 A. That's correct. 4 Q. Now, she does leave in your request to 5 support Lextron because Delphi is supporting 6 Lextron, correct? 7 A. That's correct. 8 Q. She gets into some discussion in the 9 middle of Paragraph 2 -- Well, let me ask you 10 this: Is Ms. Everett's Paragraph 2, her draft, is 11 that all new to your letter? 12 A. Let me take a look here for a second. 13 For the most part, yes. 14 Q. Well, it's entirely new, is it not? 15 A. That's correct. 16 Q. You think she's taking too much license 17 here writing to Andy Raine about a conversation 18 she wasn't in -- that Martha Everett wasn't in -- 19 and putting all this stuff in this letter? 20 A. Well, she was just editing at that 21 point in time. 22 Q. Well, let me tell you: None of this 23 that was added to your letter was discussed by you 24 and Mr. Raine, was it? 25 A. That's correct.</p>	<p style="text-align: right;">Page 144</p> <p>1 A. Like I say, I don't recall. It was 2 probably late January, mid January, late January 3 maybe. 4 Q. Well after it was sent? 5 A. That's correct. 6 Q. So am I correct, sir, that the sole 7 person from Delphi who was in the conversation 8 never even saw the final letter that was sent to 9 SouthTrust? 10 A. Well, I'm assuming also that Sid and 11 Andy may have talked about this, and I'm not 12 certain if he saw it. 13 Q. If Andy saw what, the ultimate letter? 14 A. Well, I'm assuming that Andy Raine and 15 Sid Johnson had talked about this letter. 16 Q. The ultimate one? 17 A. The ultimate one. 18 Q. Well, in fact, it's addressed to him, 19 is it not? 20 A. To who? 21 Q. Mr. Raine. 22 A. That's correct. 23 Q. Now, I want to show you Exhibit 4, 24 which is the ultimate letter that was sent to 25 Mr. Raine.</p>

36 (Pages 141 to 144)

<p style="text-align: right;">Page 145</p> <p>1 MR. EASON: 2 We're at a quarter till 6:00. 3 MR. FREESE: 4 After this letter I'm done, and we're 5 done for the day. 6 MR. EASON: 7 Thanks. I'm for that. 8 MR. FREESE: 9 Q. Have you had a chance to look at this, 10 sir? 11 A. Uh-huh. That's correct. 12 Q. It's dated February 6th, 2003, but 13 that's because the way the printer works. You 14 understand this is the version that was sent 15 January 9th? 16 A. It's dated February 6th. 17 Q. Well, if you look at the final version, 18 it says February 6th, 2003. 19 MR. EASON: 20 Just so the record's clear about this, 21 evidently the computer program generates that 22 letter whenever it's printed as opposed to the 23 date it was actually sent. And we will stipulate 24 that the letter was sent on January 9th, 2003. 25 MR. FREESE:</p>	<p style="text-align: right;">Page 147</p> <p>1 Q. Well, it says your conversation in 2 singular. 3 A. Right. 4 Q. But you know that Martha Everett was 5 not on the conversation you had with Mr. Raine, 6 right? 7 A. That's correct. 8 Q. And you were never given a chance to 9 edit or look at this letter before it was sent to 10 SouthTrust; is that correct? 11 A. That's correct. 12 (Off the record.) 13 (Deposition concluded at 5:44 p.m.) 14 15 16 17 18 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 146</p> <p>1 Q. Right. I just didn't want you to get 2 confused by the date, sir. 3 A. Okay. 4 Q. So now Exhibit 4, which is the memo 5 that Mr. Raine ultimately received, looks almost 6 nothing like your original letter, does it? 7 A. I think it has the same meaning in 8 general. 9 Q. Exhibit 4 has the same meaning as 10 Exhibit 2, the one you drafted? 11 A. That's correct. 12 Q. Now you are no longer the author of the 13 letter. Mr. Graves has succeeded you as the 14 author of the letter; is that correct? 15 A. That's correct. 16 Q. Mr. Graves didn't have any conversation 17 with Mr. Raine, did he? 18 A. That's correct. 19 Q. And it says as a follow-up to your 20 conversation with Greg Naylor and Martha 21 Everett -- Did Mr. Graves think that Martha 22 Everett was on the phone with you and Mr. Raine 23 when y'all talked? 24 A. I'm not sure if he thought she was on 25 the phone or if they had a separate conversation.</p>	<p style="text-align: right;">Page 148</p> <p>1 CERTIFICATE OF COURT REPORTER 2 I, LAURA CROSS, Court Reporter and Notary 3 Public, in and for the County of Rankin, State of 4 Mississippi, hereby certify that the foregoing 5 pages contain a true and correct transcript of the 6 testimony of the witness, as taken by me at the 7 time and place heretofore stated, and later 8 reduced to typewritten form by computer-aided 9 transcription under my supervision, to the best of 10 my skill and ability. 11 I further certify that I placed the witness 12 under oath to truthfully answer all questions in 13 this matter under the authority vested in me by 14 the State of Mississippi. 15 I further certify that I am not in the employ 16 of, or related to, any counsel or party in this 17 matter, and have no interest, monetary or 18 otherwise, in the final outcome of the 19 proceedings. 20 Witness my signature and seal, this the 21 day of , 2003. 22 23 24 Laura Cross 25 My Commission Expires February 3, 2007</p>